

ROUTING

Top Secret

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National Intelligence Daily Cable for Wednesday January 12, 1977.

The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Arms Collection

[] Syrian Chief of Staff Shihabi told US Ambassador Murphy in Damascus on Monday that Syria regards today's highly publicized deadline for collecting arms from combatants in Lebanon as only the beginning of an arduous process.

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[] The quadripartite committee of Syria, Egypt, Saudi Arabia, and Kuwait--established in October to oversee the Lebanon cease-fire--announced last week that all heavy weapons would be collected and that all brigades of the Palestine Liberation Army would leave Lebanon by midnight tonight. Iraqi regular troops remaining in Lebanon are also to leave under the new order.

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[] The arms collection issue has been the subject of intensive negotiation for more than a month among the quadripartite committee, the Palestinians and, to a lesser extent, the Christians. After strenuous resistance, the Palestinians agreed in principle in late December to permit the collection of their heavy armament at central storage points guarded by the Arab peacekeeping force.

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[] Syria has no illusions about the ease with which the arms collection will proceed. Shihabi told the ambassador that he expects all combat units to lie about the number of arms they have on hand and said he anticipates some fighting as Syrian forces carry out a massive arms sweep.

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[] Shihabi would not predict how long Syria will need to clear out arms caches, but he indicated that the Syrians know where 80 percent of the arms are hidden and are determined to clean them out.

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[REDACTED] In an apparent effort to ease US concern about possible Palestinian cross-border raids into Israel, Shihabi told the ambassador that he believes Palestinian morale is so low in the south that such raids are unlikely.

[REDACTED] He expressed optimism that a reconstituted Lebanese army would soon be able to control the Palestinians in the south, but he belied this optimism by acknowledging that he could foresee the need for Syrian peacekeeping forces there if the situation deteriorates. [REDACTED]

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TERRORISM: Daud Release and Reaction

[REDACTED] //Fatah terrorist Abu Daud left France yesterday for Algeria after a French court, citing legal technicalities, rejected Israeli and West German requests that he be held until each country could make a formal request for extradition.//

[REDACTED] //The release of Daud, who was alleged to have masterminded the massacre of Israeli athletes at the 1972 Munich Olympic Games, brought strong protests from Israel and West Germany.//

[REDACTED] //The West German government issued a statement criticizing the release on the grounds the court's action would undermine recent efforts in Western Europe and at the UN to combat international terrorism. [REDACTED]

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[REDACTED]

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[REDACTED] //The Israeli reaction will probably be limited to strong diplomatic protests and the temporary recall of their ambassador from Paris. Israeli officials almost certainly recognized that there was almost no chance that Daud would be extradited to Israel but probably hoped that he would be held and possibly even turned over to the West Germans. Daud's release by the French government, however, forced the Rabin government to strongly underline its unhappiness with Paris' action.//

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RHODESIA: Reaction to Lusaka Meeting

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[REDACTED] The decision of the front-line African presidents to give full support to the Patriotic Front alliance of Joshua Nkomo and Robert Mugabe has triggered a bitter response from rival Rhodesian nationalists. Both Bishop Muzorewa's African National Council and Ndabaningi Sithole have denounced the decision, announced by the presidents after their meeting in Lusaka last weekend.

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[REDACTED] Prime Minister Smith has been exploring the possibility of negotiating a separate settlement with "moderate" Rhodesian blacks, which would exclude Mugabe and other "militants" who are part of the Patriotic Front. The outcome of the Lusaka meeting probably will lead Smith again to approach Muzorewa and perhaps Sithole.//

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[REDACTED] For their part, the front-line presidents apparently were frustrated by the repeated failure of their efforts to bring unity to the Rhodesian nationalists. It is not clear how far the presidents intend to go in promoting the Patriotic Front, but they may try to get the Organization of African Unity and other countries to back Nkomo and Mugabe. The presidents seem to believe that Sithole has little support either inside or outside of Rhodesia, and that if international support and financial aid for Muzorewa are reduced, his standing among Rhodesia's blacks will decline. [REDACTED]

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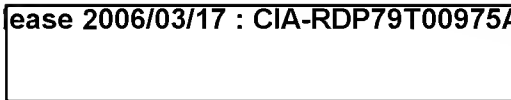
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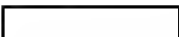
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USSR: Kulikov Appointment

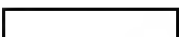
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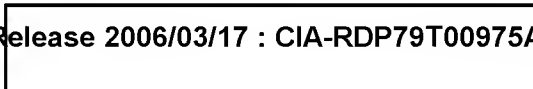
 The appointments of Soviet General Viktor G. Kulikov as commander in chief of Warsaw Pact forces and of General Nikolay V. Ogarkov to succeed Kulikov as chief of the Soviet General Staff are likely to strengthen the hand of Defense Minister Ustinov in managing the armed forces.

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 The transfer of Kulikov to the Warsaw Pact command is at least nominally a step upward; it could mean a promotion to marshal for him. His predecessor, Marshal Yakubovsky, who died in November, received this promotion even before the announcement of his appointment as commander of the Pact forces in 1967. The rank of marshal, however, has not been given to a military officer since 1968. Kulikov now holds the highest combined-arms field command in the Soviet armed forces. In the event of war, he would receive his orders from the Supreme High Command through the General Staff. In recent years, the Warsaw Pact commander has filled in for the minister of defense in the latter's absence.

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 When Defense Minister Grechko died last April, Kulikov appeared to be a leading contender to replace him, but Ustinov, a civilian, was appointed. Grechko held the Warsaw Pact commander assignment before becoming defense minister, and this move for Kulikov may be preparation for the defense minister's position in the event a professional officer succeeds Ustinov.



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25X1 [] //Kulikov's transfer could be interpreted either as an indication of his potential to succeed Ustinov as defense minister or as lending weight to reports that he is not on good terms with Ustinov. There are suggestions that Kulikov was unhappy with the elevation to defense minister last spring of a civilian, and he may have other enemies in the political hierarchy.//

25X1 [] //Ogarkov, in contrast, is reputed to be on excellent terms with Ustinov. His role as the ranking Soviet military officer during much of the SALT I negotiations is said to have contributed to this relationship. Formerly a first deputy chief of the General Staff, Ogarkov has been a deputy minister of defense since 1974, apparently with responsibilities for planning and for inter-service coordination. He has reportedly been working closely with Ustinov on a daily basis.//

25X1 [] As chief of the General Staff Ogarkov will continue to advise Ustinov on various issues. With his new assignment, Ogarkov becomes one of three first deputy defense ministers; Kulikov and General S. L. Sokolov, who has broad managerial responsibilities at the ministry, are the other two.

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25X1 [] The five-week delay in filling the Warsaw Pact position, even though Yakubovsky was known to be terminally ill for months, may have been due in part to the formal requirement for consultation with Pact members. The delay may also suggest that the new appointments were the subject of considerable deliberation in Moscow.

25X1 [] //With Ogarkov's appointment, the General Staff may turn increasingly to systems analysis and similar modern managerial techniques. Ustinov, whose experience is in defense industry, has reportedly been critical of past military

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management practices. Ogarkov's familiarity with SALT issues and rapport with Ustinov suggest that the defense minister may now be able to press more effectively for changes.// [REDACTED]

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EAST - WEST GERMANY: Continuing Tensions

[REDACTED] The East German leadership yesterday gave another indication of its increasing unease over the numbers of East German citizens applying for exit permits to West Germany.

[REDACTED] East German security police began turning away private visitors attempting to call at the West German mission in East Berlin. The action was based on a 1963 regulation that prohibits private East German citizens from visiting foreign missions without permission from the Foreign Ministry.

[REDACTED] East Germany has conducted "spot checks" on visitors in the past, but West German officials in East Berlin feel that their office has been sealed off from the public for the first time since it opened in 1974. A West German official has said that his government considers the matter "extremely serious" and has already issued a protest. Bonn's senior representative intends to confer with Chancellor Schmidt today on the problem, but the West Germans will find it difficult to take any effective countermeasures.

[REDACTED] The East German action follows several similar moves including a sharp warning to intellectuals not to make use of West German media in criticizing the regime: the ouster of a West German correspondent who had long been a thorn in the regime's side, and an intensified press campaign against the Schmidt government.

[REDACTED] these measures should be seen as a defensive reaction against an "increasingly conservative and nationalistic" West Germany. They have hinted that East Berlin is considering further distancing itself from Bonn, even in the economic sphere, in order to lessen the impact of West German influence on East German domestic problems.

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25X1 [] As far as the East German populace is concerned, the move will be viewed as one more indication that any attempt to emigrate to West Germany will be made as frustrating and difficult by the regime as possible.

25X1 [] Both countries are to serve as joint hosts next week for the first West German photographic exhibit to be held in East Berlin--an event which will provide the first immediate indication of the impact the latest East German action has had on bilateral relations. []

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VIETNAM: Expanding Trade Relations

25X1 [] //A Vietnamese trade delegation visited Finland last month to discuss a long-term trade agreement, and last week Vietnam invited the Philippine Chamber of Commerce to send a trade mission to Hanoi.//

25X1 [] //Vietnam has surplus labor and exploitable resources but lacks the capital and technology to develop them. It hopes to attract technology from Finland []

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25X1 [] //Vietnam is interested in Philippine sugar and coconut oil, as well as in iron, steel, fertilizers, and chemicals. Vietnam could be an inexpensive source for coal and phosphates for the Philippines.//

25X1 [] //The Vietnamese are establishing more economic links in part to reduce their dependence on the USSR and China.//

25X1 [] Vietnam yesterday obtained approval of its first loan--for \$36 million--from the International Monetary Fund, which will

ease its hard-currency payments problems. Vietnamese membership in the IMF, previously held by the Saigon government, was transferred to the unified state last July.

USSR-MOROCCO: Improving Relations

[redacted] Soviet-Moroccan relations are improving after reaching a low point last year during the dispute between Morocco and Algeria over Western Sahara.

[redacted] //In the past month, several developments have reflected the renewed interest in bilateral relations:

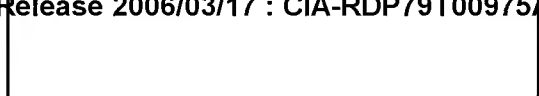
--A Soviet military delegation arrived in Rabat on December 4 to discuss the sale of T-62 tanks.

--A Soviet geological delegation arrived on December 14 to discuss a continuation of Soviet prospecting for copper and oil.

--The USSR received approval for an Aeroflot stop in Casablanca for flights to Africa.//

[redacted] Morocco's willingness to go ahead with the talks of geological cooperation is a reversal. Morocco had canceled previous discussions because of the Soviet inclination to side with Algeria in the dispute over Western Sahara.

[redacted] The Soviets nonetheless have had problems with Algeria's espousal of radical third world causes, and they are interested in Moroccan phosphates as a supplement to the USSR's domestic production. Hassan, however, may not be willing to allow Soviet participation in the exploitation of Moroccan phosphate reserves.



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[REDACTED] The King, while wary of Soviet intentions, may think he can use his increasing contacts with the USSR as a lever in extracting more from the US. Better relations with the USSR would also deflate Arab charges that Morocco is too closely linked with the US, and could encourage a more forthcoming attitude from Algeria. [REDACTED]

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AUSTRIA: Missiles Procurement

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[REDACTED] Defense Minister Luetgendorf's recommendations on Austrian procurement of missiles for national defense have triggered a storm of protest. Chancellor Kreisky has publicly criticized Luetgendorf, whose views clash directly with Moscow's insistence that Vienna adhere to a clause in the Austrian State Treaty of 1955 that prohibits missile procurement.

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[REDACTED] In an interview last week with a West German newspaper Luetgendorf branded the clause as "obsolete." Austrian officials have privately agreed with this assessment for years and have attempted several times to convince the Soviets, who are signatories to the State Treaty, that Vienna should be allowed to purchase short-range missiles for defensive purposes.

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[REDACTED] Most political leaders and even some of Luetgendorf's subordinates in the Defense Ministry are worried, however, that his frankness will create serious problems with the East European regimes. Their main concern is the need to preserve the integrity of the State Treaty, which, along with Vienna's unilateral declaration of neutrality, serves as the basis for the nation's foreign policy.

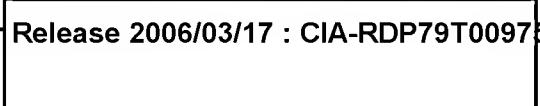
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[REDACTED] The Soviets have not lodged a protest against Luetgendorf so far. Their concern over what they perceive to be Austrian deviousness on this issue has nevertheless grown since last October, when a missile from an Austrian fighter plane was accidentally fired on take-off.

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[REDACTED] This incident demonstrates that the missile clause has an element of unreality. The Austrians purchased ground-to-ground and air-to-ground missiles from the Czechs in 1957 without encountering Soviet objections at that time. Foreign Minister Pahr has referred to this purchase as sufficient reason for rejecting the Soviet position.

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[redacted] Chancellor Kreisky probably has too much at stake in his own "detente" policy to push for a liberal interpretation of the missile clause. He is already up to his neck in an embarrassing controversy with Belgrade over other provisions in the State Treaty that deal with cultural rights for Slavic minority groups inside Austria. [redacted]

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